BCPharmaCare Newsletter *December 22, 2008 Edition 08-012*

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PHARMACIST PRESCRIPTION RENEWAL AND ADAPTATION

The Ministry of Health Services congratulates pharmacists, the College of Pharmacists of BC (CPBC), the BC Pharmacy Association (BCPhA), the College of Physicians and Surgeons of BC (CPSBC) and the BC Medical Association (BCMA) on the work toward implementation of the expanded role of pharmacists.

Along with the legislative changes introduced by government and the Professional Practice Policy developed by the College of Pharmacists, a great deal of consultation was needed to establish clear guidelines that would maintain safety and enhance effective medication management for patients.

The ministry is also pleased to provide details of an interim agreement reached with the BCPhA that will enable payment of clinical services fees for prescription renewals and adaptations and provide additional savings to be used in the PharmaCare program.

**The use of PharmaNet is not intended as a substitute for professional judgment.
Information on PharmaNet is not exhaustive and cannot be relied upon as complete.
The absence of a warning about a drug or drug combination is not an indication that the drug or drug combination is safe, appropriate or effective in any given patient.
Health care professionals should confirm information obtained from PharmaNet, and ensure no additional relevant information exists, before making patient care decisions.**

BRITISH COLUMBIA

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INTERIM AGREEMENT ON COMPENSATION FOR PRESCRIPTION ADAPTATION

As announced by Health Services Minister George Abbott, in a landmark agreement, the Province of British Columbia and the BCPhA have agreed on terms to implement the drug procurement and patient care options recommended in the report of the Pharmaceutical Task Force released earlier this year. The agreement took effect December 12, 2008.

This interim agreement recognizes that pharmacies are essential partners in the future sustainability and quality of the health care system.

The agreement includes an ongoing evaluation process. The process will assess the costs of the new services and the impact on health outcomes and use of other health services.

A copy of the agreement is posted on the PharmaCare website at www.health.gov.bc.ca/pharme/suppliers.html.

What are the components of the agreement?

The agreement includes a process for remunerating pharmacies for clinical services associated with adapting and renewing prescriptions, and two new PharmaCare policies that will generate the savings necessary to fund clinical services fees.

Interim Multi-Source Generics Pricing Policy

This policy does not affect generic drugs already listed by PharmaCare, however, effective **January 1, 2009, to December 31, 2009**, new multi-source generics added to the PharmaCare formulary will be funded at 50% of the brand price. The policy will be applied when a minimum of two generic versions of a brand become available.

See page 5 for more information.

Frequency of Dispensing Policy

Effective **February 1, 2009,** PharmaCare is introducing a new policy regarding reimbursement of dispensing fees for frequent dispensing.

Under the new Frequency of Dispensing Policy, PharmaCare expects most long-term maintenance medications to be dispensed in a 100-day supply and short-term medications to be dispensed in quantities up to 30 days, except in cases of medical necessity. If a patient requires more frequent dispensing of medication, a physician or pharmacist must document the patient's need for more frequent dispensing. Coverage of dispensing fees for medically-necessary frequent dispensing will then be available but will be limited to:

- for a dispensing frequency of 2 to 27 days, one (1) dispensing fee per patient, per drug, per prescribed supply, to a maximum of five (5) dispensing fees per patient, per prescribed supply. See examples in policy document available on the PharmaCare website at the link given below.
- for daily dispensing, one (1) dispensing fee per patient, per drug, per day, to a maximum of three (3) dispensing fees per patient per day (methadone interaction fee excluded).

Coming in the January PharmaCare Newsletter:
Detailed information and procedures for the Frequency of Dispensing policy.

Available Online Now at www.health.gov.bc.ca/pharme/suppliers.html:
A copy of the interim agreement, of the policies that will garner the savings needed to fund clinical services, and of the agreement pharmacies are required to sign in order to claim clinical services fees.

How do pharmacies sign up for clinical services fees?

To benefit from these payments, pharmacies must:

- have a valid *Pharmacy Participation Agreement* with the ministry, and
- must have signed the College's *Declaration Form for Medication Management PPP#58*, and
- must have signed a *Clinical Services Associated With Prescription Adaptation Agreement* with the ministry by **March 31, 2009**, under which the pharmacy:
  - agrees not to request or accept any additional fees or payments from any patient or third party payer in relation to any prescription adaptations for which clinical service fees will be claimed, or have been claimed, from the Province.
  - acknowledges that the Province has a right to terminate the agreement and recover all clinical services fees if the pharmacy does request or accept any additional fees or payments from a patient or third party payer in relation to any prescription adaptations for which clinical service fees are claimed.

Signed agreements will be in force until December 31, 2009, or until terminated by either the pharmacy or the ministry with 30 days notice.

Agreements are available on the website at www.health.gov.bc.ca/pharme/suppliers.html. Agreements must be signed by both the pharmacy owner and the pharmacy manager and mailed to:

PharmaCare Information Support
Health Insurance BC
PO Box 9655 Stn Prov Govt
Victoria BC V8W 9P2

How will clinical services fees be applied?

Pharmacies will be paid for services on a quarterly basis from a predetermined fund. If clinical service claims exceed the funds available, fees will be paid on a pro-rated basis. Otherwise, pharmacies who sign the *Clinical Services Associated With Prescription Adaptation Agreement* will receive, in addition to the normal dispensing fee, up to a maximum clinical services fee of:

- an amount equal to the PharmaCare accepted maximum fee ($8.60) for a renewal or for changing a dose, formulation, regimen, and
- an amount equal to twice the PharmaCare accepted maximum dispensing fee for therapeutic substitution.

	Dispensing Fee	Maximum Adaptation Fee	Maximum Payment
Adaptation/renewal	$ 8.60	$ 8.60	$ 17.20
Therapeutic substitution	$ 8.60	$17.20	$ 25.80

For each patient, pharmacies are limited to two clinical services fees per drug in a six month period.

Relationship between Special Services Fees and Clinical Services Fees

Special Services Fees can be claimed only when there is a net savings to PharmaCare (i.e., when a prescription is not dispensed). A Special Services Fee and a Clinical Service Fee cannot be claimed for the same transaction.

Submitting claims for prescriptions renewed or adapted by a pharmacist

Clinical services fees will be paid based on the number of claims submitted with specific intervention codes. The clinical services fee amount itself should not be submitted with the claim.

When submitting claims eligible for a clinical services fee:

1. In the **PRACT ID Ref** field, enter *P1* (for College of Pharmacists of BC)
2. In the **PRACT ID** field, enter your *College ID*.
3. At the beginning of the **sig** ("directions") field, type "**Adapted**"

   It is important that the word "Adapted" appear at the beginning of the sig field to ensure other health care practitioners can easily recognize that this is not the original prescription.
4. Include the appropriate new clinical services fee **intervention code** listed below to flag the claim as eligible for clinical services fee payment.

   These new intervention codes will be available to you on or before January 1, 2009.

Code	Description
NI	dosage change
NJ	formulation change
NK	directions for use modified
NL	renewal of prescription
NM	therapeutic substitution

New procedure for entering emergency fill and emergency contraceptive claims

Starting **January 1, 2009**, please use the following procedure to submit claims for an emergency fill or for emergency contraceptives. These claims are not eligible for a clinical services fee.

1. In the **PRACT ID Ref** field, enter *P1* (for College of Pharmacists of BC)
2. In the **PRACT ID** field, enter your *College ID*.
3. Include the appropriate new intervention code.

   These intervention codes will be available to you on or before January 1, 2009.

Code	Description
NN	emergency supply of medication
NO	emergency contraceptive

INTERIM MULTIPLE-SOURCE GENERICS PRICING POLICY

Until final decisions are made on a permanent pricing policy for the generic drugs, Pharmaceutical Services Division is introducing an interim policy for new multi-source generic drugs covered by the PharmaCare program.

The interim policy, described below, will be in effect from **January 1, 2009** to **December 31, 2009**.

Drugs included under this interim policy remain subject to the PharmaCare Actual Acquisition Cost and Maximum Pricing policies. Actual reimbursement continues to be subject to the rules of the patient's PharmaCare plan, including any annual deductible requirement.

Which drugs will be included under the policy?

PharmaCare will deem a drug a "new generic" if it meets the following criteria:

- The Therapeutic Products Directorate of Health Canada has issued a notice of Compliance along with a Declaration of Equivalency; and
- The first generic version of the brand name drug to be listed on the PharmaCare formulary was listed on or after January 1, 2009; and
- Neither the brand name drug nor the generic version of it is subject to patent protection or any other legal constraint that precludes the introduction of a competing generic version; and,
- The drug is not a new strength of a drug that is currently available in generic form, but may be a new dosage form (e.g., tablet versus fast-dissolving wafer) and/or formulation (e.g., regular versus extended release) of a drug that is currently available in generic form.

When will a generic drug be subject to the new pricing policy?

The policy applies only when there are multiple sources for a new generic drug:

- For the first generic version of a drug listed, pricing under this policy will apply from the listing date of the first drug if a second new generic version of the same drug is listed within one month.
- If the second generic version of a drug is listed more than one month after the first generic is listed, pricing under the policy will apply from the listing date of the second drug.

How will the PharmaCare discount be calculated?

Ingredient costs paid by PharmaCare for a new generic drug will be adjusted by a cost reduction factor. The cost reduction factor will be expressed as a percentage of the manufacturer's list price for the new generic drug.

The cost reduction factor is specific to each new generic drug and is the difference between:

- the manufacturer's list price for the new generic drug; and
- 50% of the brand name manufacturer's list price for the equivalent brand name drug.

The list price of the brand drug will be based on the average manufacturer list price for the previous 12 months.

Each month, PharmaCare will calculate the total payment reduction for each pharmacy by multiplying the drug-specific reduction factors by the total ingredient costs paid by PharmaCare to each pharmacy for each new generic drug.

Sample calculation

In the sample calculation for a generic drug given below, the following terms are used.		Amount used in sample calculation
D	PharmaCare discount (payment reduction) to be applied to a drug as an adjustment to a payment	
PIC	Paid Ingredient Costs, i.e., the total ingredient costs paid by PharmaCare for the new generic drug	**$1000**
a	Generic manufacturer's list price for the new generic drug (i.e., purchase price for pharmacies buying directly from the manufacturer)	**$70**
b	50% of the manufacturer list price for the equivalent brand name drug (or .50 x brand name list price)	**Sample list price is $100 therefore b = $50**

Sample calculation of the discount for a single drug:

D = PIC x cost reduction factor of {(a-b) / a}
that is D = **$1000** x {(**$70**-**$50**) / **$70**}

D = **$1000 x .29** (.29, or 29%, is the cost reduction factor for this drug)

D = **$290** (PharmaCare discount for the drug)

In the above sample calculation, the reimbursement net of discount would be $710.

When will the payment deductions occur?

Important: Changes to PharmaNet and other systems are needed to accommodate this policy, so the initial payment adjustments resulting from the policy will be delayed. During this time, payment deductions will accrue. As soon as possible, the accrued deductions will be applied as a single payment adjustment.

When the system changes are in place, payment adjustments will be calculated monthly and the discount for each generic drug claim will be applied as an individual adjustment (deduction) to the last pharmacy payment of the following month. The Payment Remittance Advice will identify the total amount deducted.

How will pharmacists know which generic drugs are subject to the policy?

Generic drugs that are subject to this pricing policy will be announced in the PharmaCare Newsletter. PharmaCare will also publish and regularly update an online list of the generic drugs that are subject to this policy at www.health.gov.bc.ca/pharme/suppliers/multigen.html.

Are any additional charges acceptable?

Consistent with paragraph 4 of the Pharmacy Participation Agreement, a pharmacy must not impose on patients or other third party payers any additional charge or fee to recover or offset, in whole or in part, the PharmaCare discount on the new generic drug.

BENEFITS—QUETIAPINE

The following drugs will:

become benefits on **January 1, 2009**, and

will be included as new LCA Categories on PharmaNet effective **February 1, 2009**, and

the generic products will be subject to the Multiple-Source Generics Pricing Policy on **January 1, 2009**.

NEW CATEGORY (CHEMICAL NAME)	DIN	BRAND NAME	LCA STATUS	PRICE
QUETIAPINE FUMARATE TAB 25MG	2311704	RATIO QUETIAPINE	F	
	2316080	CO QUETIAPINE	F	
	2313995	SANDOZ QUETIAPINE	F	
	2296551	PMS-QUETIAPINE	F	
	2307804	GEN-QUETIAPINE	F	
	2284235	NOVO-QUETIAPINE	F	
	2313901	APO-QUETIAPINE	F	
	2236951	SEROQUEL	P	$0.3563
QUETIAPINE FUMARATE TAB 100MG	2311712	RATIO QUETIAPINE	F	
	2316099	CO QUETIAPINE	F	
	2314002	SANDOZ QUETIAPINE	F	
	2296578	PMS-QUETIAPINE	F	
	2307812	GEN-QUETIAPINE	F	
	2284243	NOVO-QUETIAPINE	F	
	2313928	APO-QUETIAPINE	F	
	2236952	SEROQUEL	P	$0.9507
QUETIAPINE FUMARATE TAB 200MG	2311747	RATIO QUETIAPINE	F	
	2316110	CO QUETIAPINE	F	
	2314010	SANDOZ QUETIAPINE	F	
	2296594	PMS-QUETIAPINE	F	
	2307839	GEN-QUETIAPINE	F	
	2284278	NOVO-QUETIAPINE	F	
	2313936	APO-QUETIAPINE	F	
	2236953	SEROQUEL	P	$1.9093
QUETIAPINE FUMARATE TAB 300MG	2311755	RATIO QUETIAPINE	F	
	2316129	CO QUETIAPINE	F	
	2314029	SANDOZ QUETIAPINE	F	
	2296608	PMS-QUETIAPINE	F	
	2307847	GEN-QUETIAPINE	F	
	2284286	NOVO-QUETIAPINE	F	
	2313944	APO-QUETIAPINE	F	
	2244107	SEROQUEL	P	$2.7861

F – Fully covered P – Partially covered

NON-BENEFITS

The following product has been reviewed and will not be added as a benefit under PharmaCare.

DIN	DRUG NAME
2284251	NOVO QUETIAPINE 150mg tablet